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*Economic Liberalism.* By HERMANN LEVY. London: Macmillan, 1913. 8vo, pp. ix+124. \$1.25 net.

This book is a translation of the author's *Die Grundlagen des ökonomischen Liberalismus* first published twelve years ago. In the English edition, however, it has been revised and brought down to date. The German title more accurately describes its nature for it is really a study of the origin and growth of the individualistic attitude in England in so far as that attitude relates to industry and commerce. Indeed, whoever is led by the title to expect a thorough-paced discussion of the principles which today animate the English Liberal party is doomed to disappointment. Mr. Levy concentrates his attention upon an "older Liberalism" to which modern social reforms are "fundamentally abhorrent"—a Liberalism that is most nearly realized in "the general economic tendency of the Conservative program, omitting the debatable point of tariff reform."

Mr. Levy finds the fundamentals of this Liberalism in a belief in the greatest possible development of the individual, in equality before the law, and in the toleration of the opinion of others. He holds that these principles arose as part of the anti-authoritarian attitude victorious in the Puritan revolution. In other words, economic Liberalism is largely a legacy of Puritan experience and ideals, on the one hand a reaction against the meddlings of the established church in commerce, on the other a necessary correlate of the theological doctrine of the value of the individual soul.

The author is not at his best in this study; even within the limits chosen the subject receives scarcely satisfactory treatment. The development is obscured with over-detail; there is lack of broad, lucid exposition; and there is altogether too much reliance placed upon secondary sources of information. There is no index.

The reviewer disagrees with the learned author's assumption that economic Liberalism is a closed system. Mr. Levy makes this assumption when he declares that modern social legislation is abhorrent to the principles of Liberalism. In setting up this contention he falls into the same pit into which he consigns the members of the Manchester school who appear as proponents of a "special Liberalism," a "fleeting conception" with a "somewhat utopian ring." Very naturally, in keeping with these views, his "economic Liberalism" finds an appropriate mortuary in the present English Conservative party. The reviewer prefers to follow L. T. Hobhouse in his conclusion that "The heart of Liberalism is the understanding that progress is not a matter of mechani-

cal contrivance" (*Liberalism*, p. 137), or of fixed creed, or case-hardened dogma. Mr. Levy's failure to base his study on this latter position, in the reviewer's opinion, keeps his book out of the line of battle.

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*Soziale Theorie der Verteilung.* BY MICHAEL TUGAN-BARANOWSKY.

Berlin: Julius Springer, 1913. 8vo, pp. 82. M. 2. 80.

The writer, the leading Russian economist of today, apparently seeks to present in this little book an outline for a social theory of distribution. The claim is made that economics proper has failed to, and, moreover, cannot, adequately explain distribution. The author's argument in support of this contention is that modern economic literature seems to agree on the solution of the value problem, while there is a marked difference of opinion in regard to distribution, which, he believes, could not be so, were rates of wages and interest mere cases of application of value. The wage-earner cannot, in the opinion of the writer, withdraw his merchandise, or cease offering it, when the market is low, as is the case with sellers of other articles. The two prevailing economic doctrines, the Marxian and the Austrian, fail in their attempts to explain profits. Furthermore, economics cannot fit into its laws increases of wages caused by the activities of labor unions, nor the political and social advantages which influence incomes of economic groups as, for instance, in the case of the English landowners. From the above-stated reasons, the author draws two fundamental conclusions: First, the distributive process is not a value process; the application of a value doctrine, however sound, will not solve the problem of distribution. Second, a true theory of distribution must be social in its nature, comprising both the social and economic forces at work.

Unfortunately, the writer does not here discuss his positive social theory in detail. Nor does he attempt to anticipate the argument with which economists are likely to meet his attack, namely, that all social forces at work are being taken care of by pure economics, which regards them as indirect influences, modifying only the conditions to which economic laws are to be applied. Thus, it is admitted, for instance, that unions influence the wage rate, but it is claimed that this influence is not direct; it works by affecting the supply or creating a monopoly situation, which, of course, is a "legitimate" condition from the viewpoint of pure economics.